

UNITED NATIONS



NATIONS UNIES

**THE SECRETARY-GENERAL**

**REMARKS TO THE FIFTH COMMITTEE**  
**New York, 4 December 2017**

Your Excellency Mr. Michel Tommo Monthe, Chair of the Fifth Committee,

Mr. Carlos Ruiz Massieu, Chair of ACABQ,

Distinguished delegates,

I welcome this opportunity to introduce my reports on management reform to the Fifth Committee.

Let me begin with the big picture.

In taking my oath of office, I promised to work with the Member States to make reform a priority.

Reform is not an end in itself.

The purpose of reform is simple and clear: to best position the United Nations to do the work that Member States ask us to do.

To better serve people:

People in need. People with hope. People who look to us to help improve their lives and our world at a time of spiralling challenges and rapid, dramatic change.

I outlined three strategic priorities for reform: in our work for peace, our support for sustainable development and our internal management.

Reform of the peace and security architecture is aimed at ensuring we are stronger in prevention, more agile in mediation, and more effective and cost-effective in peacekeeping operations.

Development system reform is about becoming much more field-focused, well-coordinated and accountable to better assist countries in implementing the 2030 Agenda for Sustainable Development.

To underpin all these efforts, we need sweeping management reform – to simplify procedures and decentralize decisions, with greater transparency, efficiency, agility and accountability.

These efforts reinforce each other.

As a global organization with 90 per cent of our personnel serving in the field, the United Nations needs to bring decision-making closer to the people we serve; empower managers to deliver on mandates entrusted to them; reform cumbersome and costly budgetary procedures; and eliminate duplicative structures.

Mr. Chairman,

Over the past seven months, my team and I have conducted extensive consultations and outreach with Member States. We shared the findings of those consultations and our reform proposals with all of you in July at a very productive retreat – the first of its kind.

I have heard what you have heard – and, indeed, what you have said.

We are all keenly aware of what ails us and what we must improve.

We need more agile, and responsive service delivery.

We need to address fragmentation in management structures.

Create greater trust with Member States and with staff.

Ensure adequate resourcing of mandates.

Improve effective implementation of all mandates.

Increase transparency and accountability.

Clearly, the status quo is not an option.

The reports before you outline my vision for a new management paradigm for the Organization.

I intend to deliver concrete changes in four key areas:

First, empowering the leadership of the Organization to better deliver on the mandates entrusted to us by Member States.

Responsibility, authority and accountability must be aligned. Roles and responsibilities must be clarified. Managers must be supported by Headquarters. And managers must be held accountable for results.

Second, becoming more transparent and better able to demonstrate the link between resources and programme delivery, with stronger risk management frameworks.

There is no conflict between the transparency that you seek and the transparency we ourselves need. Indeed, we want and need transparency for our own good management practices to be possible.

Third, to enable effective and timely action, managers must have the authority -- under clear conditions -- to exercise decisions closer to the point of delivery.

This will not be a blanket delegation of authority. Rather, it will be based on a considered assessment of the capacity of managers to receive such authority and clear conditions upon which it will be withdrawn.

Fourth, reorganizing management structures at Headquarters to provide better support to managers and ensure accountability.

This includes eliminating duplicative functions, establishing a clearer division of roles and responsibilities, and ensuring appropriate checks and balances.

Mr. Chairman,

In order to achieve this paradigm shift, we propose the following major changes in the management of the Organization:

First, we need to simplify and streamline the planning and budget cycle and reports. We propose moving from a biennial to an annual budget, and shortening the planning and budgetary cycle from five to three years.

Programme planning and performance information would be presented alongside financial information to improve transparency and support strategic decision-making. This will more clearly show how our budgets support the implementation of our legislative mandates.

Lessons learnt will be reflected in our planning and budget documents. Activities will be more clearly linked to the Charter, the Sustainable Development Goals and legislative mandates.

Our budget documents must become an instrument to hold programme managers accountable for the effective delivery of their mandates and use of their resources. It must give Member States not only a quantitative but also a qualitative assessment of our performance.

Second, as Chief Administrative Officer, it is my responsibility to prepare a budget for the consideration of the General Assembly. Once the Assembly has approved the budget, it is my responsibility to oversee the use of those resources. To do so more effectively, I am seeking your support to provide additional authority to me to redeploy resources up to 20 per cent of a section within the budget parts, not between parts.

This would preserve the principle that resources allocated for development should be used for development, and that resources allocated for the other pillars of the Organization should be used for those pillars.

This would also improve inter-departmental co-operation and enable us to better respond to changing demands.

Member States often adopt resolutions requesting the Secretariat to undertake additional activities within approved resource levels. There is thus an expectation that we should adjust

our programmes and activities. However, we do not always have the necessary tools to do so. I am now seeking your support to provide me with those tools.

Third, we propose that the scope of the commitment authority for “unforeseen and extraordinary expenses” be broadened to respond rapidly to unforeseen events in the areas of development and human rights.

Fourth, we seek to increase the transparency and frequency of reporting to Member States, including in monitoring, evaluation, programme and financial performance and resource use.

Fifth, we want to eliminate duplicative functions by establishing a Department of Management Strategy, Policy and Compliance with a clear policy, strategy and compliance role. This will be complemented with a Department of Operational Support focused on operations, services, transactions and surge support to entities in weak environments.

Sixth, we intend to take full advantage of Umoja and the global service delivery model to carry out administrative transactions in a reduced number of locations.

Today functions such as procurement and payment systems, staff contracting, engineering and logistics management operate in too many places.

We propose to consolidate those functions into two or three centres and to undertake a strategic assessment of locations.

Seventh, we propose streamlining and simplifying human resources rules, processes and procedures. This will ensure timely recruitment, deployment and staff development.

Achieving gender parity and increasing geographical diversity are important aspects of my reforms. Within my Executive Office, where I have greater authority, we have achieved gender parity in professional position while also substantially increasing geographical diversity. This shows that the two goals are not mutually exclusive but reinforcing. It also shows what I am able to do with greater managerial authority.

Mr. Chairman,

Through these changes, we will increase accountability to Member States for mandate delivery by:

- creating stronger internal control and quality assurance functions in the new structure;
- changing the current system of delegation authority to enable managers to deliver and hold them accountable for their performance,
- separating responsibilities between the two new departments to ensure that we support troop and police contingents better and process payment of reimbursements faster,
- introducing 360 degree performance evaluations for senior managers,
- strengthening the compacts of senior managers

- improving our self-evaluation capacity,
- making our budgets a more strategic document and a tool for accountability, and
- by linking resource requirements more clearly to programme planning and performance results.

We will build trust and increase transparency of reporting to Member States by:

- reflecting procurement and expenditure information on dashboards accessible to Member States throughout the year;
- improving self-evaluation of programmes and including evaluation information in the annual budgets and on websites;
- submitting programme performance and budget information every year to the Fifth Committee instead of every two years, and
- reporting on redeployments on dashboards throughout the year and annual financial reports at the end of the budget period.

Mr. Chairman,

These are ambitious reforms. I will pay close attention to change management, including through the personal involvement of Under-Secretaries General and oversight by the Chef de Cabinet.

An advance Change Management team is already at work so that we can provide a comprehensive, costed proposal on the new structure to the Fifth Committee for its May session next year.

I, of course, will continue to follow progress intensely and ensure proper planning and execution.

This effort rests on two fundamental sets of commitments -- one between senior managers and one between Member States.

To senior managers, I pledge to give full authority to deliver on their mandates, so long as they do so transparently, responsibly and accountably.

From senior managers, I seek greater commitment to delivering their mandates and deploying their resources in support of those mandates.

To Member States, I pledge that the Secretariat will be transparent, responsible and accountable in its stewardship of the resources of the Organization and in delivering on agreed mandates and benchmarks.

From Member States, I seek their trust in the management of the Organization, allowing me the possibility to take decisions that enhance the effectiveness of mandate implementation, within the broad parameters outlined in the present report.

I extend the same pledge to this Committee.

Mr Chairman,

Reforming the current management system and structure is our shared interest.

I seek your support for the proof of concept set out in my report A/72/492. Concrete proposals on the various elements will be presented to you in May and October 2018.

I also seek your support for my proposals to strengthen the current planning and budgetary process contained in Addendum 1. To move to an annual budget, improve the current format of our planning and budgetary reports, allow for limited redeployment, broaden the scope of the UEE mechanism and increase the level of the Working Capital Fund.

I look forward to continuing our joint efforts to increase the effectiveness of the Organization.

We owe this to you, the Member States; and we owe this to the dedicated staff who work for the United Nations and want to see our Organization able to do its very best.

Thank you.